

# Migration and multi-dimensional poverty in Moldovan communities

Citation for published version (APA):

Siegel, M., & Waidler, J. (2012). Migration and multi-dimensional poverty in Moldovan communities. UNU-MERIT, Maastricht Economic and Social Research and Training Centre on Innovation and Technology. UNU-MERIT Working Papers No. 077

## Document status and date:

Published: 01/01/2012

## Document Version:

Publisher's PDF, also known as Version of record

## Please check the document version of this publication:

- A submitted manuscript is the version of the article upon submission and before peer-review. There can be important differences between the submitted version and the official published version of record. People interested in the research are advised to contact the author for the final version of the publication, or visit the DOI to the publisher's website.
- The final author version and the galley proof are versions of the publication after peer review.
- The final published version features the final layout of the paper including the volume, issue and page numbers.

[Link to publication](#)

## General rights

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the public portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the public portal.

If the publication is distributed under the terms of Article 25fa of the Dutch Copyright Act, indicated by the "Taverne" license above, please follow below link for the End User Agreement:

[www.umlib.nl/taverne-license](http://www.umlib.nl/taverne-license)

## Take down policy

If you believe that this document breaches copyright please contact us at:

[repository@maastrichtuniversity.nl](mailto:repository@maastrichtuniversity.nl)

providing details and we will investigate your claim.

## UNU-MERIT Working Paper Series

**#2012-077**

### **Migration and multi-dimensional poverty in Moldovan communities**

Melissa Siegel and Jennifer Waidler

**Maastricht Economic and social Research institute on Innovation and Technology (UNU-MERIT)**

email: [info@merit.unu.edu](mailto:info@merit.unu.edu) | website: <http://www.merit.unu.edu>

**Maastricht Graduate School of Governance (MGSoG)**

email: [info-governance@maastrichtuniversity.nl](mailto:info-governance@maastrichtuniversity.nl) | website: <http://mgsog.merit.unu.edu>

Keizer Karelplein 19, 6211 TC Maastricht, The Netherlands

Tel: (31) (43) 388 4400, Fax: (31) (43) 388 4499

**UNU-MERIT Working Papers**

**ISSN 1871-9872**

**Maastricht Economic and social Research Institute on Innovation and Technology,  
UNU-MERIT**

**Maastricht Graduate School of Governance  
MGSoG**

*UNU-MERIT Working Papers intend to disseminate preliminary results of research  
carried out at UNU-MERIT and MGSoG to stimulate discussion on the issues raised.*

# **Migration and multi-dimensional poverty in Moldovan communities**

Melissa Siegel and Jennifer Waidler<sup>1\*</sup>

---

\*Melissa Siegel, Maastricht Graduate School of Governance, Maastricht University, P.O. Box 616  
6200 MD Maastricht, The Netherlands, [Melissa.siegel@maastrichtuniversity.nl](mailto:Melissa.siegel@maastrichtuniversity.nl)  
Jennifer Waidler, Maastricht Graduate School of Governance, Maastricht University, P.O. Box 616  
6200 MD Maastricht, The Netherlands, [j.waidlerheisecke@alumni.maastrichtuniversity.nl](mailto:j.waidlerheisecke@alumni.maastrichtuniversity.nl)

## **Abstract**

This paper aims to understand the links between migration and poverty at the community level. Most of the research to date on the links between migration and poverty has been conducted at the micro level, while research related to migration and development more broadly usually focuses on the specific micro or the broader macro level. This paper adds to the existing literature by focusing specifically on the community level using data collected in the second half of 2011 in 180 Moldova communities. This paper examines four dimensions of poverty at the community level, namely: 1) infrastructure, 2) education, 3) livelihood and 4) health. We look at different rates of poverty by migration/remittance prevalence and country destination. We find that communities with higher rates of migration are significantly associated with a higher level of deprivation in infrastructure and the multi-dimensional index, while we find no significant results for remittances sent to the community. Community size and average income as well as region and proximity to the capital all show significant results of the different dimensions of well-being.

**Keywords:** Migration, Remittances, Development, Poverty, Moldova, Community development, Deprivation

JEL classification: Y80, Z13, Z18

## **Migration and multi-dimensional poverty in Moldovan communities**

### **1. Introduction**

This paper aims to understand the relation between migration and poverty or well-being at the community level. Most of the research to date on the relation between migration and poverty has been conducted at the micro level, while research related to migration and development more broadly usually focuses on the specific micro or the broader macro level. This paper examines four dimensions of poverty/well-being at the community level, namely: 1) infrastructure, 2) education, 3) livelihood and 4) health. We investigate different rates of poverty (or deprivation) by migration and remittance prevalence and country destination.

Moldova has seen a spike in emigration since 1999. In 2010, the stock of emigrants living abroad was estimated at 770,000, equalling 21.5 per cent of the population (Ratha, Mohapatra, & Silwal (2010). Migration has also become increasingly gender diversified. The main destinations for migrants are Russia and Italy, with men mainly going to Russia and women going to Europe. At least half the migrants who leave Moldova are women (Salah, 2008), often migrating to Europe to work in the service or care sector, while men work in the construction or agriculture sectors in Russia.

According to de Haas (2006), migration can contribute to social and economic development in the sending areas but this is a potential and not a given fact. We may find that migrants leave poorer areas in search of work and diversified income sources. At the same time, communities with more migrants may be less deprived either because of increased investment in these areas by migrants or because migrants from these communities are most able to move.

This paper adds to the existing literature by focusing specifically on the community level using data collected in the second half of 2011 in 180 Moldova communities. Survey

questionnaires were administered to 180 community leaders, usually from the administrative sector.

The next section of this paper examines the literature and previous findings on the link between migration and community development. The paper then goes on, in Section 3, to explain the methodology used and specifically the creation of the multi-dimensional poverty index. Section 4 presents the results of our analysis and Section 5 concludes.

## **2. Migration and Community Development**

Community development can be defined in different ways as economic development, social development or as Sen's development as freedom (or capabilities approach) looking at multi-dimensional outcomes. This multi-dimensional approach is used in this paper and is explained in greater detail in section 3.

Most studies on the link between migration and community level development look at the individual, household or national level effects with some focus on the regional level. It is even more difficult to pinpoint studies that directly look at community development since interactions between households and communities are rarely considered (with the exception of Taylor et al. (1996); Taylor 2009, Taylor (2012), McKenzie & Gibson (2010)). It might be due to difficulties identifying the actual impacts of migration on community development and therefore a way of considering the effects could be looking at changes over time while comparing areas of high and low migration.

The link between migration and development can go in both directions. Development could lead to migration (as more people are able to finance migration), but migration could also lead to development through remittances, investment and increased knowledge and skills. According to de Haas (2006), positive outcomes require a positive development context. However, even in negative environments, migration may still provide the capacity to migrate which can lead to individual development. Migration can contribute to social and

economic development in sending areas but this is a potential and not a given fact and it is likely that major effects will not be seen for a long time.

Few authors highlight migration or remittance effects on communities. Some studies have found that remittances facilitated communities to finance public works projects such as parks, churches, schools, electrification, and sewers (Goldring, 1990, 2004; Massey et al., 1987; Reichert, 1981). Through ethnographic, survey and secondary data analyses in Guatemala, Taylor et al (1996) argue that two main barriers to effective promotion of development through migration are a lack of infrastructure and of credit markets. Taylor (2009) explains that *migration is transforming local economies in ways not reflected in estimates of the direct impacts of remittances* (p1171). Clemens (2007) finds migration as a symptom not cause of failing health systems. Through surveys with community leaders, McKenzie & Gibson (2010) find that the main benefits of migration and remittances to communities in Tonga and Vanuatu are job creation and monetary support to the church and housing improvement, while the main disadvantages are that less people do community work, not all migrants contribute, and there are negative influences from abroad (e.g. alcohol). McKenzie et al (2009) highlights that the context is important in explaining effects on communities.

### **3. Methodology**

The “Capability Approach” developed by Amartya Sen shifted from uni-dimensional to multidimensional the notions of thinking about poverty measurement (Sen 1985, 1992). Multidimensional poverty measurement which came into international focus with the Capability Approach inspired the publication of the Human Development Index in the 1990 UNDP Human Development Report (UNDP 1990). This index enables a more holistic (however, not complete) measurement of human development. Multi-dimensional poverty measurement is now considered the state of the poverty measurement.



### 3.1 Multidimensional index

The methodology implemented in this analysis is based on the one proposed by Alkire & Foster (2011) and inspired by other studies of multidimensional poverty like Roelen & Gassmann's (2012) and Alkire & Santos's (2010). The methodology employs a three-step process using two forms of cutoffs, one at a dimension-specific level, and the other which identifies multidimensional poverty and which is called the "Poverty cutoff". "This 'dual cutoff' identification system gives clear priority to those suffering multiple deprivations and works well in situations with many dimensions" (Alkire and Foster, 2011, p. 477).

In the first step, each indicator is analysed separately. A community is well-off in a given indicator if the established well-being threshold set for a given indicator is met:

$$IWB_x = \frac{1}{n} \sum_{i=1}^n I_{ix}$$

where  $n$  indicates the number of communities and  $I_{ix}$  is a binary variable taking value 1 if community  $i$  has reached the threshold and 0 if the community has not with respect to indicator  $x$ . This means that for each indicator, those communities that meet the corresponding threshold (i.e. having a primary school, piped water or bus service) will be assigned a value of 1, and 0 otherwise.

The second step consists in establishing well-being rates for the different dimensions. These well-being rates classify those communities that accomplish an adequate level of well-being in the given dimension as not deprived, expressed as a share of all communities. All indicators have equal weights summing up to 1 within a dimension, except for the case of the infrastructure dimension. In this dimension two different weights are assigned to the indicators according to their level of importance, considering the country and communities

analysed. The choice of the cut-off for each dimension is normative and dependent on the specific indicators and dimension considered, as well as the specific context under consideration -in this case Moldova- (Alkire and Foster, 2011). For instance, while in the domain of education, a community needs to be well-off in all indicators in order to be considered non-poor (in this case, the community needs to have both a primary and a secondary school to be considered not deprived), in other dimensions like health and infrastructure, a community is considered not deprived if their well-being rates are above a certain threshold. With regard to the health dimension, being well-off in two out of three indicators (which are having a health centre in the community, good quality of health care and a pharmacy) is sufficient for a community to be considered not deprived. Regarding the infrastructure dimension, due to the high number of indicators (some of them more important than others) it is necessary to assign weights in a way that those communities which do not have a minimum of services or facilities available will be considered deprived. In this regard, indicators like access to piped water, security, a bus service or public lighting will be assigned a higher weight than other less-essential facilities, such as a post office, garbage collection or internet. Finally, the dimension of livelihood is composed of only one indicator, which is the unemployment rate in the community. Due to the high rate of unemployment in Moldova, the threshold has been set at 15 percent. The formula which summarises this part of the methodology can be expressed as follows:

$$DWE_d = \frac{1}{n} \sum_{i=1}^n D_{id}$$

$$D_{id} = 1 \text{ if } \sum_{x=1}^d w_x I_{ix} \geq x$$

where  $I_{ix}$  are the indicators of dimension  $D$  for the community,  $w_x$  are the indicator weights, and  $x$  is the corresponding threshold chosen for the different dimensions. We have followed

two steps to identify those communities which are deprived in a given dimension. First, we generate a weighted indicator for each community by summing up all the indicators that belong to that dimension. Secondly, a dummy variable is generated for the dimension that takes a value of one if the community has a weighted indicator with a value higher than the defined threshold for the specific dimension. For the dimensions of education and infrastructure, the threshold was set at 70 percent as this value meets the requirements previously defined –that is, only communities that are well-off in both indicators within the dimension of education and that meet a minimum required level of services will be well-off. In the case of livelihood, the threshold of the dimension is the same as for the indicator (an unemployment rate of 15 percent). Finally, the threshold for health was set at 2/3 as communities need to be well-off in at least two of the three indicators included in this dimension.

Finally, the overall well-being index is established by aggregating well-being rates across dimensions. The multidimensional well-being index gives the percentage of the communities with aggregated well-beings higher than the pre-identified threshold. In other words, those communities not meeting the requirements can be considered as multi-dimensionally deprived. Formally:

$$CWBI = \frac{1}{n} \sum_{i=1}^n W_i$$

$$W_i = 1 \text{ if } \sum_{d=1}^d w_d D_{id} \geq 0.7$$

where  $n$  represents the number of communities, and  $W_i$  is a binary variable which takes a value of 1 if the aggregated and weighted domain well-beings,  $D_{id}$ , exceed the threshold of 0.7. Each dimension is weighted equally and all dimension weights,  $w_d$ , sum up to 1.

In this final step we follow the same procedure as with the well-being indices dimension. First, we aggregate well-being rates of all dimensions assigning equal weights to each dimension. Then we create a dummy variable which identifies as deprived all communities where overall aggregated well-being is below 70 per cent. The threshold of 70 percent is based on the MPI (Alkire & Santos, 2012), where a household is considered poor if “it is deprived in some combination of indicators whose weighted sum is 30 percent or more of the dimensions” (pp 7). This means that in order to be non-poor, a community needs to be well-off in 70 percent or more of the dimensions.

In addition, and in order to check for robustness by comparing the different results, the continuous version of the multidimensional index has been used for the analysis. This means that once a value of 0 or 1 has been assigned for each dimension, the well-being rates of all dimensions are aggregated, resulting in the continuous multidimensional index. The higher the number of dimensions in which the community is well-off, the higher the multidimensional index will be.

### **3.2 Regression analysis**

Probit regressions are used to estimate the predicted probabilities of a community being well-off in the multidimensional indicator. Due to the fact that these probabilities are unknown, they have to be estimated by using a binary probit regression, where the dependent variable is the dummy which takes the value of 1 if the community is well-off in the multidimensional indicator and 0 otherwise. Denoting the vector of regression parameters as  $\beta_i$ , a binary probit regression shows the conditional probability of being well-off in the following way:

$$P(D=1|X_i) = \Phi(\beta_i X_i)$$

Where the dependent variable  $D$  is the dummy indicating well-being,  $X_i$  are the regressors, and  $\Phi$  is the cumulative standard normal distribution function. The main independent variable

is the migration indicator. This variable indicates high (value of 1) or low (value of 0) migration rates. Alternatively, we use the continuous variable which indicates migration rates in each community. In order to get the net effect of migration prevalence on the overall community well-being, a set of control variables are included in the regression, such as size of the community, region, main destination countries of migrants, education, and distance to the capital and to the main raion administration (municipality). Communities are classified according to their location or region: north, west, east or in the centre of the country. Destination countries are divided into 3 groups: Russia, Italy and other, as the majority of the population leaving the country migrate to these first two countries. All of these controls may also affect the overall level and quality of services, infrastructures, and employment in the community, and their omission would cause possible biases in the regressions. In addition, OLS regressions were used to assess the effect of migration on the continuous indicator of well-being. The independent variables used were the same as stated previously.

#### **4. Results**

We use four dimensions of well-being in each of the communities surveyed. They include: infrastructure, livelihood, education and health. A community is considered not deprived if there is bus services, public lighting, piped water, sewage drains, garbage collection are available, if there are no water interruptions or shut off, there are no blackouts of electricity, internet is available, there is a post office as well as a police service. Livelihood is measured as not deprived if the community has an unemployment rate of 15 per cent or lower. Health is measured by whether there is a health center and a pharmacy available and if the quality of health care is rated as medium or high. Education is measured by having a primary and a secondary school. In Table 1 we see that communities as a whole are most deprived in livelihood and infrastructure, which brings the overall rate of well-off communities to less

than 50 per cent (see previous section for explanation of the calculations). However, communities are much better off in health and schooling.

**Table 1: Well-being indicator rates**

Dimension	Formulation	% well-off
Infrastructures	Is there a bus service in the community?	66.7
	Public lighting available	49.36
	Piped water available	61.54
	Disposal of sewage	23.23
	Garbage collection	30.13
	Water interruption/shut offs	87.82
	Are there blackouts of electricity?	76.92
	Internet available	88.46
	Is there a post office	89.1
	Security available	77.56
<b>Total</b>		<b>49.69</b>
Livelihood	Is the unemployment rate lower than 15%?	6.88
<b>Total</b>		<b>6.88</b>
Health	Is there a health centre or hospital	78.21
	Is there a health centre or hospital	63.46
	Is the quality of health care medium or high	83.97
<b>Total</b>		<b>79.75</b>
Schooling	Does the community have primary school	87.82
	Does the community have secondary school	81.41
<b>Total</b>		<b>83.44</b>
Multidimensional Index		<b>46.62</b>

Source: author calculations

Next we indicate well-being rates by different groups. Table 2 shows the different well-being rates by high or low migration prevalence communities as well as rates based on primary destination for migration of the community. High and low migration communities are based

on the median migration rate in all communities. In the preliminary descriptive results, we find that there are significant differences in high and low migration communities with regard to schooling and the total index. High migration communities are better off in schooling and low migration areas are better off in terms of the overall index. We only find significant differences with regard to the main destination countries for a community in infrastructure. Those communities that have migration to Russia are significantly worse off in terms of infrastructure.

**Table 2: Multi-dimensional well-being by migration prevalence and destination**

	% well-off			% well-off			
	High migration	Low migration	P-value	Russia	Italy	Other	P-value
Health	82.05	77.65	0.49	76.85	85.11	87.5	0.4
Livelihood	5.13	8.54	0.4	5.71	8.51	12.5	0.65
Infrastructure	44.16	54.76	0.2	43.9	59.6	71.4	0.1*
Schooling	88.46	78.82	0.098*	80.6	89.3	87.5	0.4
Overall index	38.96	53.09	0.075*	41.35	55.32	57.14	0.2

\*\*\*p-value<1%    \*\*p-value<5%    \*p-value<10%

If we look at well-being by high and low remittance receiving areas as well as income non-/poor areas, a slightly different picture begins to emerge (Table 3). We do find significant differences in high/low remittance areas with regard to health, infrastructure and schooling. Low remittance receiving communities are worse off in health, infrastructure and schooling. We find the same results in income for poor communities. This may suggest that only communities that receive remittances (not only have migration) are those that can benefit most from migration.

**Table 3: Multi-dimensional well-being by remittance prevalence and income poor level**

	By remittances rate (high/low)	Poverty levels poor/non-poor
	% well-off	% well-off

	Low av. Remittances	High av. Remittances	P-value	Non-poor	Poor	P-value
Health	73.2	86.4	0.035**	85.4	70	0.02**
Livelihood	7.6	6.2	0.7	8.9	3.4	0.2
Infrastructure	43.2	56.3	0.09*	56.9	37.3	0.02**
Schooling	73.2	93.8	0.00***	87.4	76.7	0.07*
Overall index	41.03	51.25	0.2	51	37.9	0.12

\*\*\*p-value<1%, \*\*p-value<5%, \*p-value<10%

Next we examine the correlations between multidimensional well-being and migration/remittances in communities in two different ways. First, we use the different dimensions as 0 or 1 (not deprived/deprived or well-off/not well-off) for each of the four dimensions and then the multi-dimensional index. This gives a more straightforward picture of deprivation in the community. Next, we use each dimension as a continuous variable so that we can see differences in being more deprived or less deprived (better-off).

Table 4 presents the results of the predicted probability estimates. We see that higher rates of migration are significantly associated with more deprivation in infrastructure and the multi-dimensional index, while we find no significant results for remittances sent to the community. Size of the community and average income of the community as well as region and proximity to the capital all show significant results of the different dimensions of well-being. Larger communities are significantly associated with less deprivation in infrastructure, schooling and health as well as the multi-dimensional index. Being closer to the capital is also significantly associated with better schooling, health and the multi-dimensional index. Higher average income of communities is also significantly associated with better livelihoods and health.

In addition, OLS regressions were used to assess the effect of migration on the continuous indicator of well-being (Table 5). We find that the rate of migration is negatively associated with infrastructure and the multi-dimensional index and positively associated with



livelihood. This means that higher migration is correlated to more deprivation in infrastructure and multi-dimensional well-being. At the same time, higher migration is associated with better livelihood outcomes. This can be explained by the fact that livelihood is measured by unemployment rate and it can be assumed that migration takes pressure off unemployment rates. We do not find significant correlations with regard to remittances. Again, community size, average income and location of community is significantly associated with the different dimension and overall well-being index.

**Table 4: Probit regression results**

	Dependent variable (migration as independent)					Dependent variable (remittances as independent)				
	Multidimensional Index (dummy)	Infrastructure	Schooling	Livelihood	Health	Multidimensional Index (dummy)	Infrastructure	Schooling	Livelihood	Health
Migration rate/remittances high/low	-2.1**	-1.8**	-2.89	-2.4	-1.3	0.15	0.15	0.82	-0.08	-0.08
Distance to the closest municipality (km)	0.01	0.0008	-0.03	-0.040	0.02	0.01	0.00003	-0.02	-0.050	0.02
Distance to the capital (km)	0.006*	0.006	0.01*	0.010	0.005	0.00	0.004	0.01	0.011	0.004
Size of the community	0.0002***	0.0002***	0.002**	-0.00005	0.0006*	0.0002***	0.0001**	0.002**	-0.00005	0.0005*
Education: <i>reference category no education</i>			*		**			*		**
Primary education	4.10	3.45	4.03	4.77	3.8	4.20	3.6	3.80	5.10	3.9
Secondary education	4.60	4.2	4.78	Omitted	4.1	4.50	4.2	4.80	Omitted	4.1
Upper secondary education	4.30	3.99	4.23	2.95	4.3	4.30	3.9	4.30	2.90	4.3
Tertiary education	5.20	4.6	Omitted	2.33	4.3	5.40	4.8	Omitted	2.40	4.5
Main destination country: <i>reference category Italy</i>										
Russia	-0.25	-0.26	-0.09	-0.05	-0.08	-0.20	-0.23	-0.17	0.03	-0.08
Other countries	0.04	0.43	-0.09	0.60	-0.37	-0.01	0.37	-0.64	0.50	-0.26
Region: <i>reference category South</i>										
Chisinau	0.44	Omitted	-4.30	2.02	Omitted	0.92	Omitted	-3.60	2.8	Omitted
Balti	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted	Omitted
North	-0.86*	-0.87**	-1.55*	-0.20	-0.37	-0.44	-0.5	-1.2	0.12	-0.17
Centre	-0.07	0.06	-0.26	0.71	0.01	0.05	0.17	-0.2	1.24	0.05
				0.0003*				-	0.0003*	0.0002*
Average per capita income	0.0001	0.0001*	0.00002	**	0.0002*	0.0000	0.00006	0.00007	**	*
Average age of the household head	0.01	-0.008	-0.04	-0.03	-0.03	0.01	0.0007	-0.02	-0.03	-0.02
Constant	-0.02	-4.8	-3.50	-4.70	-4.6	-6.50	-5.3	-4.60	-5.30	-4.9
Pseudo Rsquared	0.31	0.26	0.58	0.35	0.37	0.28	0.24	0.60	0.33	0.37

\*\*\*p-value<1%

\*\*p-value<5%

\*p-value<10%

**Table 5: OLS regression results**

	Independent variable (migration as independent)					Independent variable (remittances as independent)				
	Multidimensional Index (continuous)	Infrastructure	Schooling	Livelihood	Health	Multidimensional Index (continuous)	Infrastructure	Schooling	Livelihood	Health
Migration rate/remittances high/low	-0.23*	-0.19*	-0.01	0.29***	-0.11	0.03	0.015	0.12**	0.03 0.003**	0.03
Distance to the closest municipality(km)	0.00	-0.001	-0.001	0.003**	-0.002	0.00	-0.00005	-0.001	*	-0.002
Distance to the capital (km)	0.001*	0.00004	0.0004	-0.0005	0.0006	0.0009*	-0.00008	0.0002	-0.0004	0.0005
Size of the community	0.0007*	0.000***	0.00000	0.000*	0.000	0.000***	0.0000***	0.00000	0.0000*	0.000
Education: <i>reference category no education</i>										
Primary education	0.31	-0.15	0.31	-0.09	0.23	0.31	-0.14	0.31	-0.10	0.24
Secondary education	0.38*	-0.01	0.61*	-0.04	0.37	0.36	-0.15	0.6**	-0.03	0.36
Upper secondary education	0.42*	0.01	0.69**	-0.12	0.45	0.40	0.00	0.7**	-0.11	0.45
Tertiary education	0.45*	0.11	0.76**	-0.04	0.43	0.46	0.13	0.8**	-0.05	0.45
Main destination country: <i>reference category Italy</i>										
Russia	-0.03	-0.08*	-0.05	0.04	-0.01	-0.04	-0.06*	-0.06	0.04	-0.01
Other countries	0.09	-0.06**	-0.02	0.04	0.14	0.07	0.13*	-0.05	0.04	0.13
Region: <i>reference category South</i>										
Chisinau	0.150	0.02	-0.19	-0.09	0.16	0.2*	0.06	-0.15	-0.12	0.20
Balti	-0.9**	-1.30	-0.03	-0.09	0.12	-1.12**	-1.4***	-0.06	-0.12	0.12
North	-0.1**	-0.08***	-0.08	-0.02	-0.08	-0.08	-0.05	-0.04	-0.05	-0.06
Centre	0.030	-0.03	-0.01	0.01	0.02	0.040	-0.05	-0.02	-0.01	0.02
Average per capita income	0.00004***	0.000***	0.00002	-0.00***	0.000***	0.00003***	0.00002**	0.0000	-0.00***	0.000**
Average age of the household head	-0.003	-0.002	-0.01	0.001	0.001	-0.002	-0.001	-0.01	0.001	0.002
Constant	0.05	0.78***	0.55	0.67**	0.13	-0.03	0.7	0.44	0.72	0.06
Pseudo Rsquared	0.21	0.17	0.28	0.32	0.28	0.30	0.4	0.28	0.29	0.09

\*\*\*p-value<1%

\*\*p-value<5%

\*p-value<10%

## 5. Conclusion

This paper has investigated the link between migration and poverty at the community level. As most of the research to date on the relation between migration and poverty has been conducted at the micro or macro levels, this paper adds to the existing literature by focusing specifically on the community level. We find a varied picture in the link between migration and community level development.

Preliminary results indicate that communities that receive remittances (not only have migration) are those that can benefit most from migration. However, when continuing with our analysis we see that higher rates of migration are significantly associated with more deprivation in infrastructure and the multi-dimensional index and positively associated with livelihood, while we find no significant results for remittances sent to the community. Community size and average income as well as region and proximity to the capital all show significant results in the different dimensions of well-being. Larger communities are significantly associated with less deprivation in infrastructure, schooling and health as well as the multi-dimensional index. Being closer to the capital is also significantly associated with better schooling, health and the multi-dimensional index. Higher average income of communities is also significantly associated with better livelihood and health. We do not find significant correlations with regard to remittances. Again, community size, average income and location are significantly associated with the different dimension and overall well-being index.

## 6. References

- Alkire, S., Santos, M.E. (2010), Acute Multidimensional Poverty: A New Index for Developing Countries. *Oxford Poverty and Human Development Initiative Working Paper* No. 38. Oxford Department of International Development, University of Oxford: United Kingdom.
- Alkire, S. & J. Foster (2011), Counting and Multidimensional Poverty Measurement. *Journal of Public Economics* 95: 476-497.
- de Haas, H. (2006). Migration, remittances and regional development in Southern Morocco. *Geoforum*, 37(4), 565–580. doi:10.1016/j.geoforum.2005.11.007
- Goldring, L. (1990). *Development and Migration: A Comparative Analysis of Two Mexican Migrant Circuits*. Washington, D.C.: Commission for the Study of International Migration and Cooperative Economic Development.
- Goldring, L. (2004). Family and Collective Remittances to Mexico: A Multi-dimensional Typology. *Development and Change*, 35(4), 799–840.
- Massey, D. S., Alarcón, R., Durand, J., González, H. (1987). *Return to Aztlan: The Social Process of International Migration from Western Mexico*. Berkeley and Los Angeles: University of California Press.
- McKenzie, D., Gibson, J. (2010), The development impact of a best practice seasonal worker policy. *Impact Evaluation Series*, (48). Retrieved from [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1718246](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1718246)

- Halahingano, R., Gibson, J., McKenzie, D., Garcia Martinez, P. (2009) How do Pacific island households and communities cope with seasonally absent members? *Pacific Economic Bulletin*, 24 (3).
- Ratha, D., Mohapatra, S., Silwal, A. (2010), *Migration and Remittances Factbook 2011*. World Bank.
- Roelen, K., Gassmann, F. (2012), *Child Well-Being in Kazakhstan*, UNICEF Kazakhstan, Astana.
- Reichert, J. S. (1981). The Migrant Syndrome: Seasonal U.S. Wage Labor and Rural Development in Central Mexico. *Human Organization* 40:56-66.
- Salah, M.A. (2008), The Impacts of Migration on Children in Moldova. *United Nations Children's Fund Working Paper*. United Nations Children's Fund, Division of Policy and Practise: New York.
- Sen, A. (1985), *Commodities and Capabilities*. Oxford: Oxford University Press.
- Sen, A. (1992), *Inequality Reexamined*. Cambridge, MA: Harvard University Press.
- Taylor, J.E., Moran-Taylor, M. J., & Rodman Ruiz, D. (2006), Land, ethnic, and gender change: Transnational migration and its effects on Guatemalan lives and landscapes. *Geoforum*, 37(1), 41–61. doi:10.1016/j.geoforum.2004.12.002
- Taylor, J. E., Dyer, G. A. (2009), Migration and the Sending Economy: A Disaggregated Rural Economy-Wide Analysis. *Journal of Development Studies*, 45(6), 966–989. doi:10.1080/00220380802265553
- UNDP (1990), *Human Development Report 1990 - Concept and Measurement of Human Development*, New York: United Nations.

## Annex

### Description of variables

Variable	Mean	SD	Minimum	Maximum
Multidimensional index (dummy)	0.46	0.5	0	1
Multidimensional index (continuous)	0.56	0.25	0	1
Infrastructure (dummy)	0.5	0.5	0	1
Infrastructure (continuous)	0.74	0.21	0.13	1.06
Health(dummy)	0.8	0.4	0	1
Health (continuous)	0.77	0.3	0	1
Livelihood (dummy)	0.07	0.25	0	1
Livelihood (continuous)	0.43	0.22	0	1
Schooling (dummy)	0.83	0.37	0	1
Schooling (continuous)	0.87	0.3	0	1
Migration rate	0.19	0.16	0	1
Migration (dummy high/low migration)	0.48	0.5	0	1
Distance to the closest municipality (km)	17.2	12.4	0	82
Distance to the capital (km)	113	67	0	263
Size of the community	9748	53298	96	664700
<b>Education</b>				
No education	0.006	0.08	0	1
Primary education	0.04	0.19	0	1
Secondary education	0.31	0.47	0	1
Upper secondary education	0.56	0.5	0	1
Tertiary education	0.08	0.27	0	1
<b>Destination country</b>				
Italy	0.29	0.45	0	1
Russia	0.66	0.47	0	1
Other countries	0.29	0.45	0	1
<b>Region</b>				
Chisinau	0.04	0.2	0	1
Balti	0.006	0.08	0	1
North	0.38	0.49	0	1
Centre	0.35	0.48	0	1
South	0.22	0.42	0	1
Average per capita income (in US \$)	6238	2584	1120	18383
Average age of the household head	57	6.2	41	91
Remittances (high/low)	0.5	0.5	0	1
Income poverty (poor/non-poor)	0.37	0.48	0	1

## The UNU-MERIT WORKING Paper Series

- 2012-01 *Maastricht reflections on innovation* by Luc Soete
- 2012-02 *A methodological survey of dynamic microsimulation models* by Jinjing Li and Cathal O'Donoghue
- 2012-03 *Evaluating binary alignment methods in microsimulation models* by Jinjing Li and Cathal O'Donoghue
- 2012-04 *Estimates of the value of patent rights in China* by Can Huang
- 2012-05 *The impact of malnutrition and post traumatic stress disorder on the performance of working memory in children* by Elise de Neubourg and Chris de Neubourg
- 2012-06 *Cross-national trends in permanent earnings inequality and earnings instability in Europe 1994-2001* by Denisa Maria Sologon and Cathal O'Donoghue
- 2012-07 *Foreign aid transaction costs* by Frieda Vandeninden
- 2012-08 *A simulation of social pensions in Europe* by Frieda Vandeninden
- 2012-09 *The informal ICT sector and innovation processes in Senegal* by Almamy Konté and Mariama Ndong
- 2012-10 *The monkey on your back?! Hierarchical positions and their influence on participants' behaviour within communities of learning* by Martin Rehm, Wim Gijssels and Mien Segers
- 2012-11 *Do Ak models really lack transitional dynamics?* by Yoseph Yilma Getachew
- 2012-12 *The co-evolution of organizational performance and emotional contagion* by R. Cowan, N. Jonard, and R. Weehuizen
- 2012-13 *"Surfeiting, the appetite may sicken": Entrepreneurship and the happiness of nations* by Wim Naudé, José Ernesto Amorós and Oscar Cristi
- 2012-14 *Social interactions and complex networks* by Daniel C. Opolot
- 2012-15 *New firm creation and failure: A matching approach* by Thomas Gries, Stefan Jungblut and Wim Naudé
- 2012-16 *Gains from child-centred Early Childhood Education: Evidence from a Dutch pilot programme* by Robert Bauchmüller
- 2012-17 *Highly skilled temporary return, technological change and Innovation: The Case of the TRQN Project in Afghanistan* by Melissa Siegel and Katie Kuschminder
- 2012-18 *New Technologies in remittances sending: Opportunities for mobile remittances in Africa* Melissa Siegel and Sonja Fransen
- 2012-19 *Implementation of cross-country migration surveys in conflict-affected settings: Lessons from the IS Academy survey in Burundi and Ethiopia* by Sonja Fransen, Katie Kuschminder and Melissa Siegel
- 2012-20 *International entrepreneurship and technological capabilities in the Middle East and North Africa* by Juliane Brach and Wim Naudé
- 2012-21 *Entrepreneurship, stages of development, and industrialization* by Zoltan J. Ács and Wim Naudé
- 2012-22 *Innovation strategies and employment in Latin American firms* by Gustavo Crespi and Pluvia Zuniga
- 2012-23 *An exploration of agricultural grassroots innovation in South Africa and implications for innovation indicator development* by Brigid Letty, Zanele Shezi and Maxwell Mudhara
- 2012-24 *Employment effect of innovation: microdata evidence from Bangladesh and Pakistan* by Abdul Waheed



- 2012-25 *Open innovation, contracts, and intellectual property rights: an exploratory empirical study* by John Hagedoorn and Ann-Kristin Ridder
- 2012-26 *Remittances provide resilience against disasters in Africa* by Wim Naudé and Henri Bezuidenhout
- 2012-27 *Entrepreneurship and economic development: Theory, evidence and policy* by Wim Naudé
- 2012-28 *Whom to target - an obvious choice?* by Esther Schüring and Franziska Gassmann
- 2012-29 *Sunk costs, extensive R&D subsidies and permanent inducement effects* by Pere Arqué-Castells and Pierre Mohnen
- 2012-30 *Assessing contingent liabilities in public-private partnerships (PPPs)* by Emmanouil Sfakianakis and Mindel van de Laar
- 2012-31 *Informal knowledge exchanges under complex social relations: A network study of handloom clusters in Kerala, India* by Robin Cowan and Anant Kamath
- 2012-32 *Proximate, intermediate and ultimate causality: Theories and experiences of growth and development* by Adam Szirmai
- 2012-33 *Institutions and long-run growth performance: An analytic literature review of the institutional determinants of economic growth* by Richard Bluhm and Adam Szirmai
- 2012-34 *Techniques for dealing with reverse causality between institutions and economic performance* by Luciana Cingolani and Denis de Crombrugghe
- 2012-35 *Preliminary conclusions on institutions and economic performance* by Denis de Crombrugghe and Kristine Farla
- 2012-36 *Stylized facts of governance, institutions and economic development. Exploring the institutional profiles database* by Bart Verspagen
- 2012-37 *Exploring the Panel Components of the Institutional Profiles Database (IPD)* by Luciana Cingolani and Denis de Crombrugghe
- 2012-38 *Institutions and credit* by Kristine Farla
- 2012-39 *Industrial policy for growth* by Kristine Farla
- 2012-40 *Explaining the dynamics of stagnation: An empirical examination of the North, Wallis and Weingast approach* by Richard Bluhm, Denis de Crombrugghe and Adam Szirmai
- 2012-41 *The importance of manufacturing in economic development: Past, present and future perspectives* by Wim Naudé and Adam Szirmai
- 2012-42 *Lords of Uhuru: the political economy of elite competition and institutional change in post-independence Kenya* by Biniam Bedasso
- 2012-43 *Employment and wages of people living with HIV/AIDS* by Pilar García-Gómez, José M. Labeaga and Juan Oliva
- 2012-44 *Prescriptions for network strategy: Does evidence of network effects in cross-section support them?* by Joel A.C. Baum, Robin Cowan, and Nicolas Jonard
- 2012-45 *Perspectives on human development theory in democracy promotion: A comparison of democracy promotion programmes in Egypt through the lenses of classical and revised modernisation theory* by Inger Karin Moen Dyrnes
- 2012-46 *Nonlinearities in productivity growth: A semi-parametric panel analysis* by Théophile T. Azomahou, Bity Diene and Mbaye Diene
- 2012-47 *Optimal health investment with separable and non-separable preferences* by Théophile T. Azomahou, Bity Diene, Mbaye Diene and Luc Soete
- 2012-48 *Income polarization and innovation: Evidence from African economies* by Théophile T. Azomahou and Mbaye Dien

- 2012-49 *Technological capabilities and cost efficiency as antecedents of foreign market entry* by Fabrizio Cesaroni, Marco S. Giarratana and Ester Martínez-Ros
- 2012-50 *Does the internet generate economic growth, international trade, or both?* by Huub Meijers
- 2012-51 *Process innovation objectives and management complementarities: patterns, drivers, co-adoption and performance effects* by Jose-Luis Hervás-Oliver, Francisca Sempere-Ripoll and Carles Boronat-Moll
- 2012-52 *A systemic perspective in understanding the successful emergence of non-traditional exports: two cases from Africa and Latin America* by Michiko Iizuka and Mulu Gebreeyesus
- 2012-53 *Determinants of quadric patenting: Market access, imitative threat, competition and strength of intellectual property rights* Can Huang and Jojo Jacob
- 2012-54 *Envy and habits: Panel data estimates of interdependent preferences* by Jose Maria Casado, Francisco Alvarez-Cuadrado, Jose Maria Labeaga and Dhanoos Sutthiphisal
- 2012-55 *The impact of Medium-Skilled immigration: A general equilibrium approach* by Joan Muysken, Ehsan Vallizadeh and Thomas Ziesemer
- 2012-56 *Tax incentives or subsidies for R&D?* by Isabel Busom, Beatriz Corchuelo and Ester Martínez Ros
- 2012-57 *The impact of development aid on education and health: Survey and new evidence from dynamic models* by Thomas Ziesemer
- 2012-58 *Do R&D tax incentives lead to higher wages for R&D workers? Evidence from the Netherlands* by Boris Lokshin and Pierre Mohnen
- 2012-59 *Determinants of the prevalence of diarrhoea in adolescents attending school: A case study of an Indian village school* by Shyama V. Ramani, Timothée Frühauf, Arijita Dutta and Huub Meijers
- 2012-60 *Communication costs and trade in Sub-Saharan Africa* by Evans Mupela and Adam Szirmai
- 2012-61 *Differential welfare state impacts for frontier working age families* by Irina S. Burlacu and Cathal O'Donoghue
- 2012-62 *Microeconomic evidence of financing frictions and innovative activity* by Amaresh K Tiwari, Pierre Mohnen, Franz C. Palm, Sybrand Schim van der Loeff
- 2012-63 *Globalization and the changing institution for sustainability: The case of the Salmon farming industry in Chile* by Michiko Iizuka and Jorge Katz
- 2012-64 *Chronic and transitory poverty in the Kyrgyz Republic: What can synthetic panels tell us?* by Mira Bierbaum and Franziska Gassmann
- 2012-65 *Worker remittances and government behaviour in the receiving countries* by Thomas H.W. Ziesemer
- 2012-66 *Switching the lights off: The impact of energy tariff increases on households in the Kyrgyz Republic* by Franziska Gassmann
- 2012-67 *The dynamics of renewable energy transition in developing countries - The case of South Africa and India* by Radhika Perrot
- 2012-68 *Government R&D impact on the South African macro-economy* by Radhika Perrot, David Mosaka, Lefentse Nokaneng and Rita Sikhondze
- 2012-69 *The determinants of home based long-term care utilisation in Western European countries* by Sonila M Tomini, Wim Groot and Milena Pavlova
- 2012-70 *Paying informally for public health care in Albania: scarce resources or governance failure?* by Sonila M Tomini and Wim Groot

- 2012-71 *Learning and the structure of citation networks* by François Lafond
- 2012-72 *Political determinants of sustainable transport in Latin American cities* by Carlos Cadena Gaitán
- 2012-73 *Community cohesion and inherited networks - A network study of two handloom clusters in Kerala, India* by Anant Kamath and Robin Cowan
- 2012-74 *Learning and convergence in networks* by Daniel C. Opolot and Théophile T. Azomahou
- 2012-75 *Optimal multi-phase transition paths toward a stabilized global climate: Integrated dynamic requirements analysis for the 'tech fix'* by Paul A. David and Adriaan van Zon
- 2012-76 *European investment promotion agencies vis-à-vis multinational companies from emerging economies: Comparative analysis of BRIC investor targeting* by Sergey Filippov
- 2012-77 *Migration and multi-dimensional poverty in Moldovan communities* by Melissa Siegel and Jennifer Waidler